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**Costa Rica**

**Sugar**

**Annual**

**2003**

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**Report Highlights:**

**Sugar production is expected to reach 380,000 tons in 2002/2003. Production and exports are expected to increase to 400,000 tons and 175,000 tons, respectively, in 2003/2004.**

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Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

San Jose [CS1], CS

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## Executive Summary

Costa Rica's 2002/2003 sugar cane production is expected to decline slightly to 3,460,000 MT from 3,472,000 MT in 2001/2002. Sugar production, however, is expected to increase about 1 percent to 380,000 MTRV as a result of higher industrial yields.

Sugar exports declined from 173,661 tons in 2000/2001 to 141,497 tons in 2001/2002. Costa Rica is expected to export 150,000 MT of sugar in 2002/2003, including 12,000 tons of refined sugar. Costa Rican sugar producers would like to obtain additional access to the U.S. sugar market, through negotiations under the U.S. - Central American Free Trade Agreement (CAFTA). Costa Rica's sugar quota is 15,796 MT for 2002/2003. The U.S. sugar quota for the five Central American countries involved in the CAFTA adds up to roughly 126,000 MT.

**Table 1: Sugar Cane for Centrifugal Sugar: Supply and Utilization**

PSD Table						
Country	Costa Rica					
Commodity	Sugar Cane for Centrifugal				(1000 HA)(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	52	52	52	52	0	53
Area Harvested	0	48	0	48	0	50
Production	0	3472	0	3460	0	3550
TOTAL SUPPLY	0	3472	0	3460	0	3550
Utilization for Sugar	0	3472	0	3460	0	3550
Utilizatr for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	0	3472	0	3460	0	3550

**Table 2: Centrifugal Sugar: Production, Supply and Demand**

PSD Table						
Country	Costa Rica					
Commodity	Centrifugal Sugar				(1000 MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		10/2001		10/2002		10/2003
Beginning Stocks	71	71	66	82	66	82
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	390	376	400	380	0	400
TOTAL Sugar Production	390	376	400	380	0	400
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	461	447	466	462	66	482
Raw Exports	175	141	175	150	0	175
Refined Exp.(Raw Val)	0	0	0	0	0	0
TOTAL EXPORTS	175	141	175	150	0	175
Human Dom. Consumption	220	224	225	230	0	236
Other Disappearance	0	0	0	0	0	0
Total Disappearance	220	224	225	230	0	236
Ending Stocks	66	82	66	82	0	71
TOTAL DISTRIBUTION	461	447	466	462	0	482

## Production

Sugar production during 2001/2002 was lower than previously forecast, mainly as a result of lower than expected cane production. Cane production is estimated at 3,460,000 MT in 2002/2003, which is 12,000 MT lower than 2001/2002 production. Earlier in the harvest, cane production was estimated to be much higher, however, climatic conditions negatively affected production in several areas in the main production region of Guanacaste. Nevertheless, as a result of good industrial yields, sugar production is expected to increase slightly to 380,000 MT. As a result of additional area planted, and under the expectation of normal weather conditions, production is forecast to increase to 400,000 MT of sugar in 2003/2004.

## Area Planted

Area planted to sugar is expected to increase from the current 52,000 hectares to 53,000 hectares in 2003/2004. Sugar production has provided relative stability to farmers, however, a big rush into this activity is not expected to occur.

## Yields

Based on the data provided by the Costa Rica Sugar League (LAICA), the average sugar cane yield was 72.3

MT/ha in 2001/2002. Sugar cane yield is expected to reach 72.0 MT/ha. in 2002/2003, based on the current production estimate. The industry had previously expected a higher cane yield. The average sugar yield was 108.34 kg/ton in 2001/2002 (down from 2001/2000).

### **Consumption**

Per capita sugar consumption declined marginally from 55.84 kg in 2000/2001 to 54.77 kg in 2001/2002. However, total sugar consumption increased from 216,286 tons to 224,006 tons during the same period. Costa Rica's per capita consumption is considered as very high, in some years reaching as high as 59 kg. Of the total sugar consumed in the country during 2001/2002, 206,945 tons were white sugar, 9,649 tons white special, 6,602 tons refined and 810 tons raw sugar.

### **Trade**

Sugar exports declined from 173,661 tons in 2000/2001 to 141,497 tons in 2001/2002. According to LAICA,

the decline was due to the fact that the export level in 2000/2001 had been higher than normal in order to draw down available sugar stocks. Exports are estimated to reach 150,000 tons in the 2002/2003 marketing year. Of total exports, Costa Rica will ship approximately 12,000 MT of refined sugar to the Canadian market. LAICA is trying to open and establish a presence in that market using the benefits provided to Costa Rica under the free trade agreement (FTA) with Canada. Under the FTA, Costa Rica may export 22,500 MT of refined sugar to Canada in 2003 duty free. This volume increases yearly until it reaches 40,000 tons in 2009.

**Table 3: Export Trade Matrix**

Export Trade Matrix			
Country	Costa Rica		
Commodity	Centrifugal Sugar		
Time period	2002	Units:	MTRV
Exports for:			1
U.S.	15,796	U.S.	
Others		Others	
Canada	75,198		
Russia	49,734		
Bahamas	769		
Total for Others	125701		0
Others not Listed			
Grand Total	141497		0